

Kitchener-Waterloo Record

Kitchener, ON

Dailies (336)

Circulation: 65,486

15 Apr 99

881360

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General - Jim

Internet a must for businesses

Without it, you'll perish, guru warns

By Ron DeRuyter

RECORD STAFF

Online selling, electronic auctions and skyrocketing Internet stocks get the ink, but the real action on the Internet is the stuff that is happening between businesses.

And companies that don't wake up to that fact may not be around long enough to take advantage of it, Internet guru Jim Carroll told a Kitchener audience Wednesday.

"This thing is absolutely huge," he told clients of MicroAge at a glitzy event the Waterloo-based information technology firm held at the Silver City movie complex.

"What is definitely going to happen in the next several years is businesses will come to realize the Internet isn't all about 'Amazon.com motion' and selling Beanie Babies through online auction houses.

"The fact is 80 per cent of the real business on the Internet is transactions occurring from business to business... What is really going on here is the beginning of the largest re-engineering exercise in history as businesses utilize the technology to change the way they transact with the outside world and with other organizations."

The author of *Surviving the Information Age* and *The Canadian Internet Handbook* said the media's focus on the consumer side of electronic commerce — because it is sexy — is unfortunate because it is "causing people to lose sight of what is really going on, and to misfocus on the nature of the opportunity or discount its importance."

And companies that discount its importance may not survive, he said.

"Every business model in every single industry is in the process of being ripped apart, tossed on the floor and squished by the Internet," he said. "Organizations who are complacent about what is going on are going to face death by complacency."

Carroll, a Mississauga-based consultant whose talk was broadcast live to MicroAge employees via the Internet, outlined several ways the Internet is

revolutionizing the business world.

- It brings in new competitors.

The real estate industry is a good example, said Carroll. Web sites that provide information about houses and mortgage rates spell trouble for real estate agents and mortgage lenders because "they steal the starting point of transactions," he said.

- It stresses price-based competition.

The ability to compare prices online, for car insurance, for example, forces companies to get business by offering the lowest price, he said. "If you have a high cost base within your organization, you won't be able to compete in the new economy."

- It forces companies to be quick.

Companies that use the Internet to procure goods or manage their relationships with customers can do business at lightning speed, said Carroll. "Those organizations that don't get strategically involved just won't be able to keep up with the time compression that is occurring and will lose customers as a result."

- It turns suppliers into competitors.



The Internet enables companies to cut out the middle man. "I now deal directly with the airlines," noted Carroll. "I don't deal with travel agents. They are

becoming irrelevant to the majority of my commodity travel purchases. That is beginning to affect every type of organization."

- It accelerates the rate at which new technology is introduced.

Carroll said 80 per cent of the technology that will be used in 10 to 20 years hasn't been developed yet. When technology changes that quickly, "it has the potential to completely destroy an industry overnight."

Managers and employees who plan to prosper in the fast-paced world of electronic commerce should work on their ability to think strategically and continually upgrade their skills and knowledge, said Carroll.

"A lot of it comes down to attitude," he said.

"Opportunities abound for those who embrace what is happening. Opportunities will not abound for those who fight it."



Carroll

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